

**United States Environmental Protection Agency
Criminal Investigation Division
Investigative Activity Report**

Case Number

0506-0026

Case Title:

Ferguson Enterprises Inc.

Reporting Office:

Detroit, MI, Resident Office

Subject of Report:

Interview of (b)(6), (b)(7)(C), DWSD.

Activity Date:

November 5, 2010

Reporting Official and Date:

(b)(6), (b)(7)(C), RAC

20-DEC-2010, Signed by: (b)(6), (b)(7), RAC

Approving Official and Date:

(b)(6), (b)(7)(C), SAC

22-DEC-2010, Approved by: (b)(6), (b)(7), SAC

SYNOPSIS

11/05/2010 - U.S. EPA CID Special Agent (SA) (b)(6), (b)(7)(C) interviewed (b)(6), (b)(7)(C), Head Inspector, Detroit Water and Sewerage Department (DWSD) regarding various DWSD contract DWS 849. Also present during this interview was (b)(6), (b)(7), Deputy General Counsel, City of Detroit Law Department. (b)(6)(b) was previously interviewed by SA (b)(6), (b)(7) in this investigation.

DETAILS

On November 5, 2010, U.S. EPA CID Special Agent (SA) (b)(6), (b)(7)(C) interviewed (b)(6), (b)(6), Head Inspector, Detroit Water and Sewerage Department (DWSD) regarding various DWSD contract DWS 849. Also present during this interview was (b)(6), (b)(7), Deputy General Counsel, City of Detroit Law Department. (b)(6), was previously interviewed by SA (b)(6), (b)(7) in this investigation and provided the following information:

SA (b)(6), (b)(7) explained that in (b)(6) review of pay applications created by Lakeshore Engineering Services (LES) for contract DWS 849, Ferguson Enterprises Inc (FEI) was listed as a subcontractor which had performed certain tasks. (b)(6), reiterated to SA (b)(6), (b)(7) that FEI had been involved in a few initial meetings regarding the contract but had ceased to be involved in any way after that. SA (b)(6), (b)(7) asked (b)(6), what, if any, relevance there was to LES listing FEI on a pay application, knowing that the company didn't perform the work. (b)(6), replied that contractors are to be paid for the work they actually did, not for work another contractor performed. (b)(6), pointed out that the (b)(6), (b)(7) group did all of the work on this contract, not FEI. If (b)(6)(b) had noticed that LES had listed FEI on a pay application for this contract he would not have approved any payments for that particular application and directed the DWSD Project Engineer to raise the issue both with DWSD upper management and with LES. DWSD upper management in this instance was (b)(6), (b)(7)(C) who reported to (b)(6), (b)(7)(C).

(b)(6), noted that he was reassigned from the sewage side to the water side of DWSD in July of 2006. (b)(6), (b)(7) took over (b)(6), (b)(7) role on DWS 849.